



North Carolina Department of Health and Human Services

Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

3001 Mail Service Center
Raleigh, North Carolina 27699-3001
Tel 919-733-7011 • Fax 919-508-0951
Michael Moseley, Director

Division of Medical Assistance

2501 Mail Service Center
Raleigh, North Carolina 27699-2501
Tel 919-857-4011 • Fax 919-733-6608
L. Allen Dobson, Jr. MD, Assistant Secretary for
Health Policy and Medical Assistance

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MEMORANDUM

TO: Legislative Oversight Committee Members
Commission for MH/DD/SAS
Consumer/Family Advisory Committee Chairs
State Consumer Family Advisory Committee Chairs
Advocacy Organizations and Groups
North Carolina Association of County Commissioners
County Managers
County Board Chairs
North Carolina Council of Community Programs
State Facility Directors
Area Program Directors
Area Program Board Chairs
DHHS Division Directors
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

FROM: Allen Dobson, MD *LAD*
Mike Moseley *MM*

SUBJECT: Enhanced Services Implementation Update # 2
Medicaid-Eligible Consumers with Developmental Disabilities Receiving CBS

The federal Centers for Medicare and Medicaid Services (CMS) has required the Department of Health and Human Services (DHHS) to eliminate the service known as Community Based Service (CBS) from North Carolina's Medicaid State Plan upon implementation of the new Enhanced Benefit services. As you know, they also refused to approve the service that was designed to replace CBS for people with developmental disabilities. These unfortunate federal decisions has forced the Department to identify alternative strategies for continuing to support people with developmental disabilities in the community. The following transition plan has been developed with the collaboration and input from key stakeholders, consumers and families.

Prioritized Alternatives

Five strategies have been developed to address the needs of Medicaid-eligible DD consumers receiving CBS. Please note that although CMS would not approve Developmental Therapy as a Medicaid covered service, it will be a covered service (funded exclusively with state funds) for people with DD in the target population whose CBS services are currently funded by state or federal funds administered by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS). Therefore, non-Medicaid eligible people with DD currently receiving CBS will automatically transition to Developmental Therapy in accordance with the crosswalk process outlined in the Person Centered Planning section of our January 19, 2006 memorandum.

The five strategies for Medicaid-eligible consumers, in preferred order, are:

1. Individual is currently receiving CBS in addition to CAP-MR/DD waiver services – amend CAP-MR/DD Plan of Care (POC) to add additional waiver services, as necessary, to replace CBS.
2. Individual is not currently receiving CAP-MR/DD waiver services but appears to meet the ICF/MR Level of Care (LOC) criteria – process MR2 and supporting documents to qualify the individual for waiver participation
3. Individual does not meet ICF/MR LOC and is receiving CBS primarily due to mental health/substance abuse/behavioral issues – crosswalk to the new service of Community Support.
4. Individual does not meet ICF/MR LOC and is receiving CBS primarily due to DD issues – refer to a home care or home health agency for assessment for Medicaid Personal Care Services.
5. Individual does not meet ICF/MR LOC, is receiving CBS primarily due to DD issues, and Medicaid Personal Care Services will not address the individual's full treatment needs or the individual does not meet eligibility criteria for Medicaid Personal Care Services – authorize state-funded Developmental Therapy services in accordance with utilization review guidelines issued by DMH/DD/SAS.

Case managers should immediately begin conducting individual reviews with all developmentally disabled consumers on their caseload who are Medicaid-eligible and are receiving CBS. Following the priority order outlined above, and in accordance with the additional guidance which follows, case managers and consumers should identify and immediately take action to implement the strategy that is appropriate for each consumer.

CAP-MR/DD Waiver

DMH/DD/SAS and the Division of Medical Assistance (DMA) have submitted a technical amendment to the CAP-MR/DD Waiver to increase the number of people by two-thousand (2,000) that can be served by the waiver. We do not anticipate any difficulty in receiving prompt approval from CMS for this technical amendment.

DMH/DD/SAS will provide LMEs with information on the projected increase in the CAP-MR/DD Virtual Allocation and numbers of additional people to be served by Friday, February 10, 2006. LMEs will work with case managers to expeditiously process revised POCs for individuals in category 1, above, and to process applications for waiver participation for individuals in category 2. **In order to address this emergency situation created by the CMS decision, regardless of the plan or process that a LME has developed to prioritize the use of waiver funding allocations, the only people that shall be added to the waiver at this time are Medicaid eligible consumers currently receiving CBS.**

The DMH/DD/SAS State Operated Services Section has worked with Murdoch Center to identify additional resources to increase the capacity to process MR2 forms. We are confident that we will be able to process MR2s on an expedited basis in order to quickly qualify people for waiver eligibility. Effective immediately and until March 30, 2006, we will also waive some of the standardized requirements outlined in the CAP-MR/DD Manual. Murdoch will accept psychological evaluations for children that have been completed

within three years and for adults if they were completed within five years. They will also accept MR2s that have been signed within 60 days, rather than the standard 30 day requirement.

When the LME and case manager have been notified that a person has been determined to meet ICF/MR LOC, the case manager should prepare an abbreviated POC to seek approval, effective March 20, 2006, for just the service (or services) that will most closely replace CBS services currently being received by the consumer. The immediate goal up until March 20, 2006 is to assure that consumers will not be faced with a loss of service with the implementation of new Enhanced Services. After this critical emergency time period has passed, case managers should go back and work with the consumer and their family to develop the full Person Centered Plan, including natural and community supports, for approval for all medically necessary waiver services. Complete PCPs for all consumers added to the waiver through this effort must be completed July 20, 2006.

Community Support

For those individuals who have a developmental disability but do not meet ICF/MR level of care and who are receiving CBS services primarily for a co-occurring mental illness, substance use disorder, or behavioral issue, the most appropriate replacement service is Community Support. Case managers may quickly amend the treatment plan to replace Community Support in accordance with the crosswalk instructions outlined in our January 19, 2006 correspondence.

Medicaid Personal Care Service

Medicaid Personal Care Services (PCS) may meet many of the needs for individuals who do not meet ICF/MR LOC and who are receiving CBS primarily for issues related to their developmental disabilities. Attached to this memorandum please find an introductory "fact sheet" about Medicaid PCS and copies of the forms used to authorize PCS. Case managers should immediately refer individuals who appear to qualify for PCS to a home care or home health agency for an assessment to determine if PCS will meet some or all of their needs.

State Funded Developmental Therapy

If none of the previous options work or only work partially – the consumer does not qualify for the CAP-MR/DD Waiver, they do not need CBS due to a mental health/substance abuse/behavioral issue, they do not qualify to receive PCS or PCS will not fully meet their needs – case managers may authorize state funded Developmental Therapy services. The state funded Developmental Therapy service will follow the same service definition that was submitted to CMS for approval and will be paid at the rates developed for the proposed Medicaid service. DMH/DD/SAS will issue by February 10, 2006 the authorization guidelines to be followed in authorizing this new state service.

We realize that the efforts to quickly identify individual solutions for the nearly 5,000 individuals impacted by this federal decision will be a massive undertaking. We know that this plan places a large burden on case managers and LME local approvers. We hope that you agree with us that the people we serve who would otherwise lose services as a result of the federal government's decision deserve no less than our best efforts to ensure the success of this plan. We understand that there will be inevitable implementation glitches. If case management providers or LMEs have questions about this plan, please direct them to the Division of Mental Health, Developmental Disabilities and Substance Abuse Services by e-mailing contactdmh@ncmail.net.

cc: Secretary Carmen Hooker Odom
Allyn Guffey
Dan Stewart
DMH/DD/SAS Executive Leadership Team
DMH/DD/SAS Staff
Rob Lamme

Rich Slipsky
Wayne Williams
Kaye Holder
Coalition 2001 Chair
Mark Benton
Dr. William Lawrence

Tara Larson
Carol Robertson
Angela Floyd